

**ALASKA MUNICIPAL BOND BANK
AUTHORITY
BOARD OF DIRECTOR'S MEETING**

**TO BE HELD AT:
TELEPHONIC MEETING
For Participation Call: 1-907-202-7104
With Code 264900307#
October 5, 2021
2:00 PM Alaska**





333 Willoughby Avenue, 11th Floor
P.O. Box 110405
Juneau, Alaska 99811-405

Phone: (907) 465-2388
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AGENDA FOR BOARD OF DIRECTOR'S MEETING

Meeting Place:

TELEPHONIC MEETING
For participation: (907) 202-7104
With passcode 264900307#
October 5, 2021 at 2:00pm AK

- I. Call to Order**
- II. Roll Call**
- III. Public Meeting Notice**
- IV. Approval of Agenda**
- V. Minutes of the April 15, 2021 Meeting of the Board of Directors**
- VI. General Business**
 - A. Election of Officers – Fiscal Year 2022**
 - B. City of Seward – Loan Analysis, Credit Review & Discussion**
 - C. Fiscal Year 2021 Audited Financial Statements**
 - D. AMBBA 2021 Series One & Two Post Sale Summary**
 - E. Finance Director's Report**
 - F. Executive Director's Report**
- VII. Public Comments**
- VIII. Board Comments**
- IX. Adjournment**

STATUS: **Active**

NOTICE OF PUBLIC MEETING - AMBBA Board of Director's Meeting

AGENDA FOR BOARD OF DIRECTOR'S MEETING:

Meeting Place: TELEPHONIC MEETING; For participation: (907) 202-7104, With passcode 264900307#; October 5, 2021 at 2:00pm AK.

The public is invited to attend. Individuals who may need special modifications to participate should call (907) 465-2893 prior to the meeting.

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Attachments, History, Details

Attachments

[AMBBA Agenda 10-5-2021 FINAL.pdf](#)

Revision History

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Details

Department: Revenue
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Sub-Category:
Location(s): Statewide
Project/Regulation #:

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Events/Deadlines:



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MINUTES of the BOARD OF DIRECTORS MEETING

ALASKA MUNICIPAL BOND BANK AUTHORITY

April 15, 2021

I. CALL TO ORDER

Luke Welles called the meeting to order at 10:02 a.m., Alaska Time. Members participated telephonically at 1-650-479-3207 with passcode 1335149619#.

II. ROLL CALL

Luke Welles
Mike Barnhill
Julie Anderson
Ken Koelsch
Bruce Tangeman (planned absence for this meeting)

Quorum Attained

OTHERS IN ATTENDANCE:

- Deven Mitchell, Executive Director, Alaska Municipal Bond Bank
- Ryan Williams, Finance Director, Alaska Municipal Bond Bank
- Fred Eoff, Financial Advisor, PFM
- Alex Qin, PFM
- Trey Atkinson, CEO, SEAPA
- Kay Key, Controller, SEAPA
- Jordan Keeler, City Administrator, City of Sand Point
- Leslie Krusen, Orrick, Herrington & Sutcliffe LLP
- Eric Whaley, BofA Securities
- Eric Wong, BofA Securities

- Wes Ellins, BofA Securities
- Laura Janke, RBC Capital Markets
- Marc Greenough, Foster Garvey, Counsel for Sand Point
- Cindy Cartledge, Jermane Dunnigan & Owens, Counsel for Kenai, Homer & Seward

III. PUBLIC MEETING NOTICE

Mr. Williams reviewed the public meeting notice. A copy of the Online Public Notice concerning the date, location, and purpose of the meeting was read for the record. The public notice was officially published on April 6, 2021, on the Alaska Online Public Notice website for the April 15, 2021 meeting date, fulfilling the public notice requirement.

IV. APPROVAL OF AGENDA

The agenda was reviewed by the board. Mr. Barnhill moved to approve the agenda as written, and approval was seconded by Ms. Anderson. There were no objections. The agenda was approved unanimously and adopted by board members.

V. MINUTES of the December 10, 2020, Board of Directors Meeting

The December 10, 2020, minutes of the AMBBA Board of Director's meeting were reviewed by the board. Mr. Barnhill moved to adopt the December 10, 2020, minutes with an amendment for a technical correction on page 4 where "Article 8" needs to be stricken to reference "Article 9." The approval was seconded by Ms. Anderson as amended. There were no objections. The December 10, 2020, minutes were approved as amended and unanimously adopted by board members.

VI. GENERAL BUISNESS

City of Sand Point – Loan Analysis, Credit Review and Discussion

Mr. Eoff presented an application credit review summary for the City of Sand Point ('Sand Point'), \$1,200,000 revenue bond loan request from the Bond Bank for improvements to the Robert E. Galovin Small Boat Harbor, backed by a pledge of the Boat Harbor Enterprise Fund. The project includes replacement of the harbor's 150-ton travel lift with a new 150-ton travel lift. The term of the loan

would be 15 years. Sand Point's annual debt service on the requested loan is estimated to be approximately \$100,750, and \$284,430 on all Bond Bank loans. With most recent fiscal year net pledged revenue of the Boat Enterprise fund, the debt service coverage ratio is 1.36x. Mr. Eoff noted that Sand Point anticipates a significant increase in harbor revenues and a decrease in harbor expenses after the purchase of a new travel lift. The harbor's net income, after the purchase of the new travel lift, is estimated to create 2.2x-2.3x coverage of the proposed Series 2021 Bonds' debt service. The debt service coverage of Bond Bank debt service from state-shared revenues is 0.92x. Mr. Eoff stated that the current travel lift is near the end of its useful life, at 38 years old, and Sand Point has spent upwards of \$130,000 on maintenance costs over approximately three years. The downtime caused by maintenance and malfunction has also decreased customers and potential revenue. Fred noted the estimated operating expenses in the pro-forma have the funding of a maintenance reserve for unforeseen expenses if they should occur in the future. Mr. Eoff, PFM, recommended approval of the Sand Point loan subject to receipt of the no litigation letter. Mr. Keeler, City of Sand Point, noted that they provided a five-year maintenance cycle for the estimates noted in the report, with vastly lower costs, especially in comparison to the outdated travel lift. Mr. Barnhill moved to approve the application for the \$1,200,000 revenue bond loan request from the City of Sand Point, and Ms. Anderson seconded the motion. There was no additional discussion. A roll-call vote was taken, and there were four "aye" (yes) votes, and the loan was approved unanimously by all present board members.

The Southeast Alaska Power Agency – Loan Analysis, Credit Review and Discussion

Mr. Eoff presented an application credit review summary for the Southeast Alaska Power Agency ('SEAPA'), revenue bond loan request for up to \$14,000,000 from the Bond Bank for the replacement of an electric submarine power cable, backed by a pledge of SEAPA's Electric Enterprise System revenues. Mr. Eoff noted that SEAPA is replacing a failed electrical submarine power cable in the Stikine crossing between the islands of Woronkofski and Vank. This vital interconnection is necessary to provide reliable wholesale power to the rural island community of Petersburg, Alaska. The term of the loan would be 25 years. SEAPA's annual debt service on the requested loan is estimated to be approximately \$861,628, and \$2,330,727 on all Bond Bank loans. With most recent fiscal year net pledged revenue of the Electric Enterprise fund of approximately \$5.2 million the debt service coverage ratio is 2.26x. Mr. Eoff noted that SEAPA has been repairing the current cable over the years, and with no commercially

available cable similar to the current structure, they are undergoing a full replacement. SEAPA provides over 90% of the electrical power requirements to the Petersburg area. Mr. Eoff presented SEAPA's 2015-2020 operating revenues, which are derived solely from power generated at SEAPA's two hydroelectric facilities and sold to its three member-utility customers. Mr. Atkinson, SEAPA, spoke about the creation of their Rate Stabilization fund and talked generally about the project. SEAPA established a Rate Stabilization Fund in 2019 with an opening deposit of \$2 million. The fund is intended to improve the long-term fiscal health of the agency by reserving a portion of excess revenues. The fund may be used to reduce the impact of future extraordinary capital projects or bond issuances and to ensure compliance with bond covenants as needed. Mr. Atkinson noted that Petersburg would have to be reliant on diesel should a cable fail and would like to maintain coverage of the community with a reliable power source. Mr. Koelsch asked whether a cable project like SEAPA's would have the opportunity for consideration from a federal rural infrastructure grant fund. Mr. Atkinson noted that they have inquired regarding a related federal grant after confirmation that SEAPA would be eligible, but the process is slow moving due to a unique and complex application and approval structure and is not optimistic that it can meet this project's more immediate timeline. Mr. Koelsch moved to approve the application for the up to \$14,000,000 revenue bond loan request from SEAPA, and Ms. Anderson seconded the motion. There was no additional discussion. A roll-call vote was taken, and there were four "aye" (yes) votes, and the loan was approved unanimously by all present board members.

AMBBA Resolution No. 2021-01

Mr. Krusen introduced Resolution 2021-01, a series resolution authorizing the issuance of general obligation and refunding bonds, the 2021 Series One and 2021 Series Two of the AMBBA. Resolution No. 2021-01 authorizes an aggregate principal amount of not to exceed \$45,000,000 for 2021 Series One, and \$267,000,000 for Series Two. Mr. Krusen mentioned that the Chairman or the Executive Director, in consultation with the Bond Bank's Municipal Advisor, shall determine the number of series and the series names and designations, including whether any series shall be a Forward Delivery Series, and the aggregate principal amount of the 2021 Bonds of each series, provided that the aggregate principal amount of all 2021 Bonds issued pursuant to this 2021 Series Resolution does not exceed \$312,000,000. Resolution 2021-01 also describes the available refunding candidates, with refunding dependent upon additional discussions with underlying borrowers prior to pricing. Resolution 2021-01

authorizes the transaction to be sold through negotiated sale. Mr. Krusen noted that Resolution 2021-01 authorizes the issuances of forward delivery bonds, which can be priced and then issued and closed further into the future, which allows flexibility for certain refunding characteristics. The 2021 Series One is expected to be issued on a tax-exempt basis with true interest costs not to exceed 3.5%, the Series Two is expected to be issued on a taxable basis with true interest costs not to exceed 4.5%, and if there are forward delivery bonds, as authorized under Resolution 2021-01, then true interest costs are not to exceed 5%. Mr. Krusen reiterated that the resolution identifies a series of advance refunding candidates and grants authority to the Chairman and Executive Director to proceed with those refundings dependent upon market condition at the time of pricing. The authority granted to the Chairman and Executive Director shall expire 120 days after adoption of this Resolution 2021-01 of the Bond Bank. Mr. Whaley, BofA, noted that this general obligation and refunding transaction has been contemplated since late 2020, and since that time, the general pricing for similar municipal transactions has been stable to improving. Mr. Whaley and their finance team has provided analysis to the Bond Bank and PFM regarding current rates and how the transaction would unfold with different rate variables. Mr. Eoff noted that Resolution 2021-01 includes all maturities that are hypothetically refundable, which gives a high not to exceed par amount in general, but it will ultimately be dependent upon the conditions at pricing and underlying borrowers choosing which maturities to refund, based on their own savings thresholds and internal logistics. Mr. Welles asked Mr. Whaley if the Federal Reserve participates in the municipal market in any way. Mr. Whaley noted that they do not participate directly, but there's potential for indirect effects through treasury market activity and it may have bearing on certain pricing structures. Other initiatives include COVID programs for short-term borrowings. Mr. Whaley noted there's federal legislation that has been introduced regarding the re-allowance of tax-exempt advanced refundings, so laws could change regarding this component. Mr. Mitchell noted that underlying communities make the decision to refund certain maturities given the then-current analysis and their own savings parameters. Mr. Koelsch moved to approve Resolution 2021-01 and approval was seconded by Ms. Anderson. Mr. Williams took a roll call vote with board members, and there were four "aye" (yes) votes and no objections. AMBBA's Resolution 2021-01 was approved unanimously by present board members.

Finance Director's Report

Mr. Williams reviewed the market values and performance of funds from the most recent statement, February 28, 2021. Mr. Williams noted that February was a particularly bad month for fixed income returns, pushing the Bond Bank's calendar year to date returns into negative territory. This will not create any near-term difficulties with the reserve fund's funding status, as those use a specific valuing methodology, and most securities are held to maturity given the nature of the underlying investment policy. Mr. Williams noted that APCM, the Bond Bank's Investment Advisor, provided additional fund characteristics provided behind the Finance Director's report. Mr. Barnhill made a motion to adopt the Finance Director's report, and Ms. Anderson seconded the motion. There were no objections, and the Finance Director's report was adopted unanimously by present board members.

Executive Director's Report

Mr. Mitchell noted that there's current legislation pending in the State House of Representatives, HB 127 - sponsored by Representative LeBon, which would increase the Bond Bank's authority to lend to Regional Health Organizations as well as the University of Alaska. This also eliminates the 49% per project limitation, increases the lending limit to approximately \$500 million from approximately \$200 million, and to lend to the University of Alaska beyond the current limitations for heat and power projects. We will monitor as this is discussed in the legislative bodies.

Mr. Mitchell noted that he previously reviewed the Forrer decision with the Board. Recently, we have discussed with our bond counsel, Orrick, the reevaluation of the legal analysis needed to issue bonds, and we are confident to receive an unqualified opinion on the legality of Bond Bank bond issues given the extensive differences between the structure of our program versus the Tax Credit Certificate bonds.

Mr. Koelsch made a motion to adopt the Executive Director's report, and Ms. Anderson seconded the motion. There were no objections, and the Executive Director's report was adopted unanimously by present board members.

VII. PUBLIC COMMENTS

There were none.

VIII. BOARD COMMENTS

There were none.

IX. ADJOURNMENT

Mr. Welles adjourned the meeting without objection at 10:58 a.m. Alaska Time.

Luke Welles, Chairperson

Alaska Municipal Bond Bank Application Credit Review Summary Page

Applicant:	City of Seward
Loan Amount:	\$18,000,000 (maximum)
Project Type:	Critical electric system infrastructure improvements
Project Description:	The City will use the Bond Bank loan for critical electric system infrastructure improvements, including the replacement and construction of new transformers, transmission lines and substations. The City anticipates a \$577,195 contribution to the project from federal American Rescue Plan Act (ARPA) funds, which will be used to purchase the wood poles on Nash Road.
Term of Loan:	30 years
Revenues Pledged to Loan:	Electric Enterprise Fund net revenues
Most recent FY Net Pledged Revenues:	\$2,459,560
Estimated Annual Debt Service on requested loan:	\$1,161,982
Estimated Annual Debt Service (Electric Revenue loans plus requested loan):	\$1,503,931
Most Recent FY Debt Service Coverage Ratio:	1.64x
Total Revenue Subject to Intercept:	\$1,212,668
Estimated Annual Debt Service (all Bond Bank loans plus requested loan):	\$4,042,867
Debt Service Coverage of AMBB DS from Total Revenue Subject to Intercept :	0.30x
Loan Subject to State Debt Service Reimbursement:	Yes
No Litigation Letter Received:	Yes

Loan Application Evaluation

City of Seward

Introduction

The City of Seward ("Seward" or "the City") has submitted an application to the Alaska Municipal Bond Bank (the "Bond Bank") for a loan backed by the revenues of the City's Electric Enterprise Fund. The loan will be used to fund critical electric system infrastructure improvements. The loan request is for \$18,000,000.

The Project

Seward will use the Bond Bank loan to fund the following critical electric system infrastructure improvements: 1) construct a new substation with a new transformer off of Port Avenue; 2) install new transformers at Lawing, Fort Raymond and Spring Creek substations; and 3) replace and rebuild the existing electric delivery system on Nash Road and on the last half mile feeding into the Fort Raymond Substation. These improvements will enable the City to better serve a future proposed cruise ship dock.

Electric Enterprise Fund

The City's Electric Enterprise Fund accounts for the provision of electrical service to the residents of the City and other areas within the electric service area. The Seward Electric Utility provides electricity to nearly 3,000 residential and commercial customers. The electric system contains 69 miles of distribution lines and 50 miles of transmission lines.

The Electric Enterprise Fund's financial operations have been stable in recent years. From fiscal years 2015 through 2020, total operating revenues increased from \$11.3 million to \$12.1 million, with total operating expenses during those years ranging from \$10.1 million to \$11.7 million. As of December 31, 2020, the Fund had \$4.6 million in total debt outstanding. The City maintains a bond redemption and reserve account for the Electric Enterprise Fund as required by bond covenants. The balance of the account as of December 31, 2020 is \$322,824.

In Fiscal Year 2020, the Electric Enterprise Fund experienced an increase in cash during the year of \$0.4 million, from a prior cash balance of \$8.2 million to a balance of \$8.6 million. The restoration of cash in the enterprise fund is the result of targeted efforts to address significant critical-risk and high-risk infrastructure needs of the Fund. It also results in no contribution to the depreciation reserve fund for the future replacement of capital assets, which is not consistent with the City's budget policy of setting aside 100% of annual depreciation costs for replacement of capital assets. To address these concerns, rate increases were approved at 1.2% in 2020 and 1.2% in 2021. However, Council elected to freeze the rate increase in 2020 in order to provide some financial relief to Seward citizens as well as to complete an additional rate study. 2021 rates resumed with the 1.2% increase as approved by Council.

The City will structure the proposed loan with a 30-year term. Net revenue coverage of debt service payments after all expenses is projected to be 1.64x.

	2015	2016	2017	2018	2019	2020
Gross Revenues ⁽¹⁾	11,674,228	11,607,631	13,010,358	11,168,299	12,544,308	12,516,634
Operating Expenditures ⁽²⁾	8,887,162	9,421,854	10,267,321	9,730,414	9,801,084	10,057,074
Net Revenues	2,787,066	2,185,777	2,743,037	1,677,896	2,743,224	2,459,560
Debt Service ⁽³⁾	673,261	349,739	343,118	345,400	345,199	1,503,931
DS Coverage	4.14x	6.25x	7.99x	4.16x	7.95x	1.64x

⁽¹⁾ Includes interest; excludes grants.

⁽²⁾ Excludes depreciation and payments in lieu of taxes.

⁽³⁾ Includes \$341,929 of actual debt service on existing loans plus \$1,161,982 in projected average annual debt service on Series 2021 loan

Impact of COVID-19

Seward's downtown corridor is expected to experience strong revitalization, post the Covid-19 pandemic. Just as many cities across the country experienced, several businesses in Seward were closed for all or most of 2020 due to the pandemic. This presented a series of challenges on a scale not seen in years. In 2020, Seward's sales tax revenues came in at \$3.8 million, or 33% lower than prior years' 5.7 million. This was a direct result from the impact Covid-19 had on local businesses and the tourism industry. However, as previously shuttered businesses are purchased, improved, and opened to new ventures, optimism is being lifted in the local business climate and tourism industry, and the City is experiencing growth and healthy revenue inflows once again.

Sales tax revenues for YTD in 2021, for Seward, have nearly surpassed the total amount of sales tax earned from 2020 and the City has yet to receive sales tax for Q-3 and Q-4. Additionally, the City is already at 69% of tax revenues earned at this time in 2019, and still has the remainder of Q-3 and Q-4 taxes to be recorded. This is a sign that the City is seeing strong growth and healthy business revitalization post Covid. The City is expecting to see even stronger future growth and healthy sales tax revenues in future years as more people continue to travel and visit Seward.

Security and Repayment

The City will pledge the future electric customer revenues, net of specified operating expenses, of the Electric Enterprise Fund for repayment of the Bond Bank loan. Electric Enterprise Fund revenues are derived from charges to various user classes: residential, small general service, large general service, harbor power sales, special contract, and street and yard lights. Operating expenses are primarily made up of power for resale, salaries and benefits, and general and administrative expenses. Existing revenue bond agreements require that rates be maintained at a level that will produce net revenues after certain adjustments, equal to 1.3 times the amount required each year to pay the principal and interest. The City met these revenue requirements for its Series 2014 and 2017 bonds in fiscal year 2020.

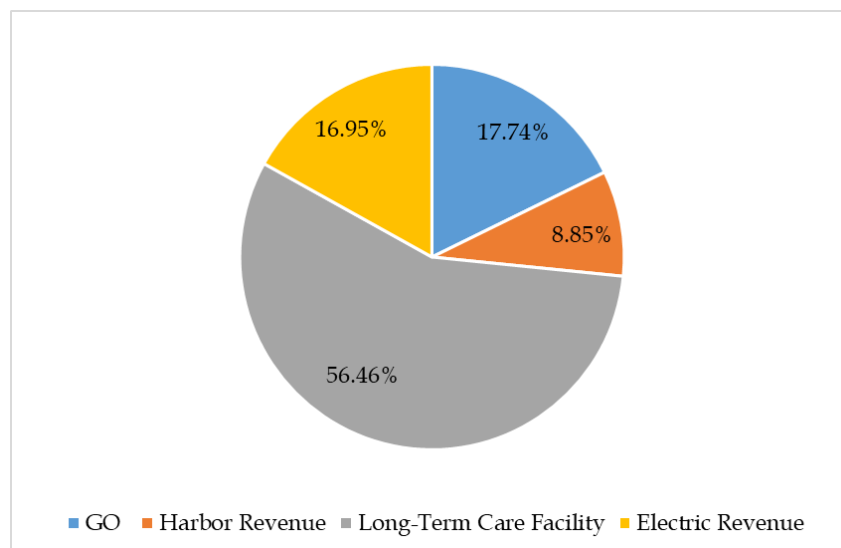
State Aid

In addition to the pledge of revenues from Seward's Electric Enterprise Fund, the Bond Bank has the ability to intercept state-shared revenues that will otherwise flow to Seward. This is an additional source of security for this loan. The table below summarizes the revenues subject to intercept, along with the maximum annual debt service on Seward's bonds, including this proposed loan.

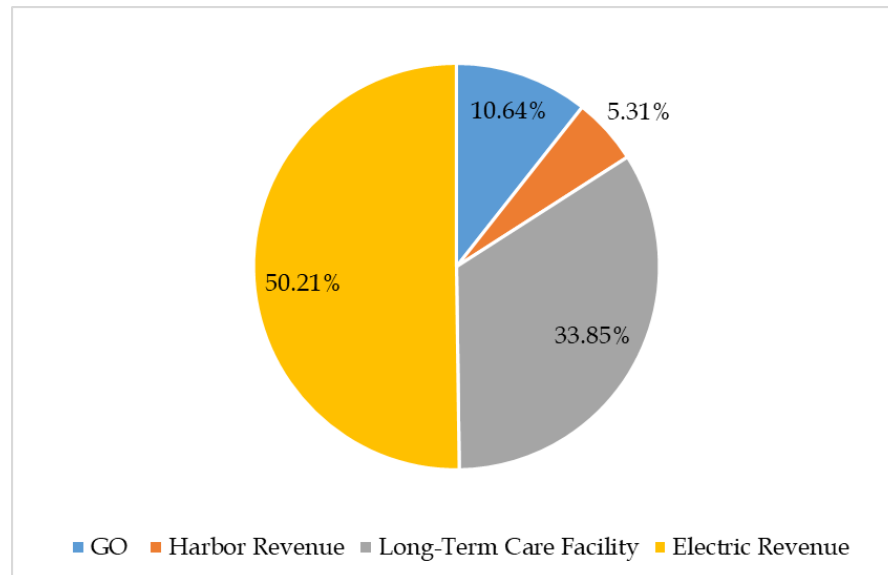
Shared Taxes and Fees	\$757,923
Dept. of Transportation Reimbursement	\$0
Reimbursement and Other Education Funding	\$0
Education Support Funding	\$0
Matching Grants	\$0
Community Jails	\$368,952
PILT Transfers	\$0
Revenue Sharing	\$85,793
Total Revenue Subject to Intercept	\$1,212,688
Fiscal Year 2022 Debt Service	\$2,880,885
Estimated Annual Debt Service on Proposed Loan	\$1,161,982
Debt Service Coverage	0.30

City of Seward - Diversity of Credit Pledges

Currently the City has pledged four sources of revenues to secure loans outstanding with the Bond Bank. Prior to the funding of the proposed loan, the concentration of the City's pledged revenues (weighted by outstanding par) is as follows:



The addition of the proposed loan will redistribute the concentration of pledged revenues, increasing Electric Revenues to the highest source of repayment, as shown below:



Future Capital Plans

The City has no plans at this time for issuance of additional debt.

Statement of No Litigation

The City has provided a letter of no litigation in connection with their application which states in part that: No litigation is pending or threatened against the City in any court: 1) affecting the corporate existence of the City, or the titles of its officers to their respective offices, 2) seeking to restrain or enjoin the issuance, sale, or delivery of the Bond, or the right of the City to collect taxes and other moneys pledged or to be pledged to pay the principal of and interest on the Bond, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bond or any possible loan agreement between the City and the Bond Bank, or contesting the power of the City or its authority with respect to the Bond; or 3) involving any of the property or assets of or under the control of the City which, whether individually or in the aggregate, involves the possibility of any judgement or uninsured liability which may result in any material change in the revenues, properties, or assets, or in the condition, financial or otherwise, of the City.

Summary

Based on our assessment, the security offered by Seward, as set forth in Seward's loan application and supplemental materials, provides adequate security to justify approval of the application. This security, primarily provided by the pledge of the Electric Enterprise Fund of Seward is augmented by the State's ability to intercept state revenues that would otherwise flow to the City.

We recommend approval of this loan application. If there are any questions regarding this analysis, please feel free to call me at (206) 858-5370.

For PFM Financial Advisors, LLC

A handwritten signature in blue ink, appearing to read "Fred Eoff". The signature is stylized with a large initial "F" and a cursive "Eoff".

Fred Eoff, Director

Appendix A - City of Seward Economic and Demographic Information

The natural beauty of Seward, its year-around deep-water port, access by road system and rail, and its relatively mild climate combine to make Seward attractive to marine and tourism-related businesses and has remained a destination of choice for tens of thousands of visitors. The cost of living in Seward is also relatively low for Alaska, and taxes are low and stable. The cost of utilities is relatively high in Seward as in most of Alaska.

Seward has a fairly diversified economy with a historically thriving tourism industry, which helps drive the local job market and tax revenues, which both peak from May through August annually. Strong tourism, commercial and recreational fishing, boat tours, and recreational opportunities collectively contribute as a healthy revenue source for the City. Seward's downtown corridor is expected to experience strong revitalization, post the Covid-19 pandemic. Just as many cities across the country experienced, several businesses were closed for all or most of the year during the pandemic. This presented a series of challenges on a scale not seen in years. However, as previously shuttered businesses are purchased, improved, and opened to new ventures, optimism will be lifted in the local business climate and tourism industry, and the City will soon see growth and healthy revenue inflows once again. In 2020, Seward saw 24 commercial construction permits issued at a value of \$3.6 million, representing a 20% increase in the number of permits, but a 66% decrease in the value of commercial construction permits over the prior year. At the same time, 21 residential building permits were issued at a value of \$2.9 million, the highest value of residential permit activity over the past ten years. Over the past five years, Seward has experienced a slight decrease in its population from 2016 (2,663) to 2020 (2,509). However, the U.S. Coast Guard is looking to permanently come to Seward with about 25 employees and their families joining the workforce.

The City has a 4% sales tax which is applied only to the first \$500 of each separate sale. One-quarter of the sales tax, equal to a 1% tax, is set aside for healthcare purposes, serving capital and operating needs of the hospital, long-term care facility, and federally qualified health center/clinic. In 2020, Seward's sales tax revenues came in at \$3.8 million, or 33% lower than the previous year's \$5.7 million. This was a direct result from the impact that Covid-19 had on the local businesses and the tourism industry. Over the past ten years, on average, sales tax revenues have increased 4.3% year-to-year, and represent 68% of the City's overall tax revenues, and 39% of the overall General Fund revenues. The bulk of Seward's sales tax (approx. 63%) is generated during the summer months when the City experiences a large increase in tourism. Taxable sales activity in Seward fell to \$95,056,194 in 2020, a result of Covid-19 impact. Since sales tax represents the largest revenue source for the City's General Fund, the growth in taxable sales is an important measure of the ability of the City to pay for general government services. However, the future of sales tax revenue is unknown due to the significant impacts of Covid-19. Tourism was minimal in 2020 and how quickly the numbers will bounce back is difficult to predict.

Seward has a statewide reputation as a maritime powerhouse due to quality port and harbor infrastructure and healthy growth in marine-related businesses. The City's recent \$25 million investment in Seward Marine Industrial Center (SMIC) expansion resulted in enclosing the basin by constructing a new breakwater, a new fishing pier, lineal moorage, dock upgrades, fencing, marine washdown pad, 10-ton crane, expansion of the 330-ton lift dock and pit, upgrades to electrical infrastructure, conversion of high-mast lights to LED, and other improvements. These investments are encouraging growth in marine transportation, ship repair, commercial fishing, land development and related business activity, and are attracting commercial fishing interests, transportation companies, marine scientists, the U.S. Coast Guard and other large marine vessel operators with interest in expanded commercial facilities. The sale of the shipyard facility from Vigor to JAG Alaska

has led to increased marine repair activity, increased boat lift revenue at SMIC, and increased employment opportunities for local tradespeople.

The City's top ten property taxpayers have become more diverse over the past few years. The top ten taxpayers represent various industries including tourism, seafood processing, grocery, hotel/motel, communications, petroleum products, and marine businesses, and account for approximately 19% of all taxable property in the community. The bulk of these entities are visitor-related and drive the City's tourism industry. And since sales tax, bed tax and camping fees are largely tourism-related, these types of taxpayers contribute approximately 57% of the General Fund revenue. Property tax revenues increased by 40% over the past five years (\$1,097,937 in 2016 to \$1,531,208 in 2020).

Retail trade in Seward represents 49.8% of all taxable sales, followed by guided accommodations, food service, and entertainment (16.2%), guiding water (9.9%), public administration (8.9%), wholesale trade (4.8%), rental property (3.4%), services (5.3%), and others. As of 2020, Seward's unemployment rate is 9.1%, the highest level since 2011. Per capita personal income as of 2020 is \$54,870, a 4% increase since 2016 (\$52,639).



Application for Bonds

A request for the Alaska Municipal Bond Bank Authority (the Bond Bank) to purchase a revenue or general obligation bond issue of the applicant. This isn't considered a commitment on the part of the applicant or the Bond Bank. Additional information may be requested before a final recommendation.

I. General Information

A. Name of Governmental Unit (Applicant):

City of Seward

B. Type of government (home rule, first class, authority, etc.):

Home rule

C. Contact Person for the government:

Name:

Title:

Jessra Snyder

Finance Director

Address:

City:

State:

Zip:

410 Adams St.

Seward

AK

99664

Phone:

Fax:

E-mail:

907-224-4064

jsnyder@cityofseward.net

D. Applicant's Bond Counsel:

Name:

Title:

Cindy Cartledge

Bond Counsel

Address:

City:

State:

Zip:

3000 A Street

Anchorage

AK

99503

Phone:

Fax:

E-mail:

907-563-8844

907-563-7322

rbennett@jdolaw.com

E. Applicant's Financial Advisor or Underwriter (if applicable):

Name:

Title:

Don Grimes

Senior Vice President

Address:

City:

State:

Zip:

Phone:

Fax:

E-mail:

850-570-8528

don@blitchassociates.com

II. Issue Information

A. Total amount of bond purchase request:

18,000,000

B. Total term of requested loan:

30 years

C. Preferred principal and interest payment months:

March principle interest
September only

D. If a bond election is required, provide a copy of the bond election ordinance and ballot proposition. q Attached

If a bond election has been held, provide the votes for and against the issue(s):

Yes:	No:	Percent of registered voters casting ballots:
	X	%

Does the municipality intend to pledge any specific assets or taxes in addition to property tax? Provide details of the additional assets or taxes.

No.

E. Will you need interim financing?	No		
1. If applicable, provide interim financing information:			
Amount:	Maturity:	Rate:	Lender:
2. Provide information that would impact the Bond Bank's ability to retire the interim financing with permanent financing. <input type="checkbox"/> Attached			

F. Describe project to be financed, including the information requesting in 1-6. If this information is available in a project feasibility study, you may reference and attach it.			
1. Are engineering and specifications completed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Yes, engineering and specs are complete	
2. If not, when are they projected for completion?			
3. Have construction bids been awarded?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Not at this time but close	
4. Are there additional state or local approvals required?	<input type="checkbox"/> Yes <input type="checkbox"/> No	No	
5. Describe timing/scheduling plan:	Please see attached word file from Electric Department Director		
6. What is the projected completion date?	Fall 2023		

G. Sources of uses of funds			
Sources of Funds		Uses of Funds	
Bonds (this application)	\$18,000,000	Construction	\$14,400,503.37
Federal Funds*	\$577,195	Engineering	1,292,845.17
State Funds*	\$	Contingency	\$2,278,936.39
Applicant's Funds	\$	Cost of Issuance	\$TBD
Other (specify)	\$	Other	\$
Total:	\$18,577,195	Total:	\$17,972,284.93
*If federal or state funds are involved, provide a complete description of the status and uses of these funds.			
1. Indicate which costs, including costs of issuance, would be paid for with AMBBA bond proceeds: \$577,195 in ARPA funds, as a pass through from the borough from the US Treasury. This will be used to purchase the wood poles on Nash Road.			

III. Credit Information

A. Provide the loan agreements or copies of the cover page of official statements for your government's outstanding bonds. <input type="checkbox"/> Attached See Attached
B. Has your municipality entered into lease purchase agreements or other financing agreements supported by General Fund revenues? <input type="checkbox"/> Yes <input type="checkbox"/> No No If yes, provide amount of financed, purpose and principal amount outstanding. \$
C. Are any of the above referenced issues supported by special assessments on benefited property, revenues, user fees or state reimbursement for school construction projects? <input type="checkbox"/> Yes <input type="checkbox"/> No No If yes, please attach details. <input type="checkbox"/> Attached
D. Has your government ever failed to meet its debt service coverage requirements or other covenants on general obligation, revenue, or special assessment bonds? <input type="checkbox"/> Yes <input type="checkbox"/> No No If yes, please attach an explanation. <input type="checkbox"/> Attached
E. Has your government ever defaulted on any of its general obligation, revenue, or special assessment bonds? <input type="checkbox"/> Yes <input type="checkbox"/> No No If yes, please attach an explanation. <input type="checkbox"/> Attached

F. Provide information on the amount, timing, and purpose of any bonds you have authorized by the voters, but not yet issued. ☐Attached. **None**

G. Attach your government's forecast on amount, timing, and purpose of future general obligation or revenue bond financing. If this information is available in your long-term plan, provide a copy. ☐Attached **None at the time**

H. Give a brief summary of your local economy. Include major industries and their projections. Describe any positive or negative trends or factors. (If this information is available in an annual report, provide a copy with your application.)
☐Attached **Please see "Local Economy" section in attached audited 2020 financials**

Are any of the community's major employers expected to make changes in work force or operations?

☐Yes ☐No **The Coast Guard is looking to permanently come to Seward with about 25 employees and their families**
If yes, provide an explanation. ☐Attached

J. Please provide population figures for your community for the last five years. Indicate the source of your figures.

Year	Population	Source
2020	2509	Alaska Dept of Commerce
2019	2545	Alaska Dept of Commerce
2018	2584	Alaska Dept of Commerce
2017	2518	Alaska Dept of Commerce
2016	2663	Alaska Dept of Commerce

L. Provide assessed valuation and property tax collected for all taxable property within your corporate limits for the past five years. ☐Attached **Please see it attached**

M. Provide your audited financial statements from the last two years (provide your unaudited statement if audit hasn't been performed). ☐Attached **Please find them attached**

N. Provide your current year's budget. ☐Attached **Please find the budget attached**

O. Provide your capital improvement plan. ☐Attached **Please see 2020/2021 Approved Budget**

P. Provide any other financial or economic information that will assist evaluation of your application. ☐Attached

IV. Legal Information

A. Provide a certificate of your legal counsel that establishes there is no litigation pending or threatened in any court in any

1. affecting the corporate existence of your government, or the titles of officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the bonds, or the right of the applicant to levy and collect taxes pledged or to be pledged to pay the principal of and interest on the bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the bonds or the loan agreement between the applicant and the Bond Bank, or contesting the power of your government or your authority with respect to the bonds; or
2. against your government or involving any of the property or assets of or under the control of your government, which, whether individually or in the aggregate involves the possibility of any judgement or uninsured liability which may result in any material change in the revenues properties, or assets, or in the condition, financial or otherwise, of your government.

B. An opinion or certificate to the same effect, dated the date of the closing, shall be delivered to the Bond Bank on the date of closing.

C. If any such litigation is pending or threatened, attach a description of the litigation, including caption and case number, description of the relief requested as it pertains to the matters described, and the procedural status of the litigation

The facts and representations in this application and all attachments are true and accurate in all respects and no material facts are omitted to the best of my knowledge

Jessra Snyder

Name (print)

Finance Director

Title



Signature

8/26/2021

Date of Application

Please return all applications to:

Deven Mitchell

Alaska Municipal Bond Bank Authority

Department of Revenue

PO Box 110405

Juneau, AK 99811-0405

(907)465-2388 phone

(907)465-2389 fax

deven_mitchell@revenue.state.ak.us

Items below provided by Rob Montgomery, City of Seward's Electric Department Director:

Tentative project schedule and completion date. (Timing could be impacted by supply chain deadlines, weather, etc.)

- Fall 2021 – Once approved by Council, proceed with materials order. This will include transformers in one order and all poles, conductors and associated hardware in a separate order. (Note: transformers will take 60 to 72 weeks for delivery once ordered)
- Winter/Spring 2022 – Begin right-of-way clearing on Nash Road.
- Spring 2022 – Begin infrastructure work to replace poles, conductors, etc., on Nash Road.
- Summer 2022 – Begin infrastructure work to replace poles, conductors, etc., on the last half mile feeding into the Fort Raymond Substation.
- Spring 2023 – Begin substation work (Lawing, Fort Raymond and Spring Creek substations) to prepare for installation of transformers.
- Summer 2023 – Build a new substation with a new transformer off Port Avenue to serve future cruise ship dock.

Project Completion: Fall 2023

Note: We will probably need separate contractors to complete the project, one for the substations/transformers and the other to rebuild/build the delivery system (Nash Road, half mile on Seward Hwy, and to the new substation on Port Ave.)

Below was emailed by the engineering firm:

1. Need to do pre-design now to facilitate transformer order.
2. After you start the transformer order it is about 10 weeks to get manufacturer drawings so we can get information to start foundation plans.
3. Final design for each substation will take 2 to 3 months depending on complexity.
4. Complete final design in summer of 2022.
5. Start ground work for foundations no later than November 2022.
6. Anticipate receiving transformers mid-January 2023.
7. Complete construction during summer 2023.

Transformers to order:

1. One 2.5MVA, 115kV-25kV 3-Ph (Lawing)
2. Three 1.25MVA (TBD), 115kV-14.4kV single phase (Primrose & Victor Creek & Spare)
3. Two 10MVA, 115kV-12.5kV 3-ph (Fort Raymond)
4. One 12MVA, 115kV-12.5kV 3-ph secondary voltage TBD (Harbor)

8/20/2021

The following scope is based on the 8/12/2021 site visit and Chris Davis follow-up email.
Estimates are added for City of Seward's use. Material prices are are current and include no escalation beyond 8/31/2021
ROW assumes the City will deal with easements on City owned property and ADOT ROW.
Generation during construction has not been included in estimates.

Project Description	Labor	Material	Subtotal	Contingency	Total
1. Nash Road (10% Contingency on Construction)					
Phase 1, Existing Upgrade Plans	\$ 1,396,580.00	\$ 884,992.74	\$ 2,281,572.74	\$ 228,157.27	\$ 2,509,730.01
Add 1.3 miles distribution under-build to connect the Nash Road Distribution to the SMIC distribution to provide an alternate voltage feed	\$ 167,851.81	\$ 245,874.02	\$ 310,066.33	\$ 31,006.63	\$ 341,072.96
Add motor operated, SCADA controlled 115kV switch at the intersection of Seward Highway and Nash Road	\$ 12,000.00	\$ 30,000.00	\$ 42,000.00	\$ 4,200.00	\$ 46,200.00
Engineering	\$ 18,600.00		\$ 18,600.00		\$ 18,600.00
Phase 2, Existing 115kV Upgrade Plans	\$ 108,775.00	\$ 214,045.89	\$ 322,820.89	\$ 32,282.09	\$ 355,102.98
Replace old tangent poles that were not replaced in the original plans.	\$ 23,200.00	\$ 97,535.94	\$ 120,735.94	\$ 12,073.59	\$ 132,809.53
Engineering	\$ 7,440.00		\$ 7,440.00		\$ 7,440.00
1. Nash Road 115kV Transmission Sub-totals	\$ 1,734,446.81	\$ 1,472,448.59	\$ 3,103,235.89	\$ 307,719.59	\$ 3,410,955.48
2. Seward Hwy Transmission (10% Continency on Construction)					
Complete constriction of plans to rebuild the last 1/2 mile of line into Fort Raymond from 69kV to 115kV.	\$ 206,207.50	\$ 181,232.66	\$ 387,440.16	\$ 38,744.02	\$ 426,184.18
2. Seward Highway 69kV to 115kV Transmission Upgrade Sub-totals	\$ 206,207.50	\$ 181,232.66	\$ 387,440.16	\$ 38,744.02	\$ 426,184.18
3. Substation Voltage Conversion (15% Contingency): Needs to happen simultaneously with multiple contractors while generation is running					
1. Lawing Substation:					
Replace the existing failing circuit switcher over the transformer with 115kV automated circuit switcher designed for final voltage configuration.	\$ 12,000.00	\$ 30,000.00	\$ 42,000.00	\$ 6,300.00	\$ 48,300.00
Remove 25 MVA 69x115kV-12.5kV transformer	See above				
Remove 2.5MVA 12.5kV-24.9kV step-up transformer.	\$ 12,000.00		\$ 12,000.00	\$ 1,800.00	\$ 13,800.00
Install 2.5MVA 115kV-24.9kV stepdown transformer and appropriate protection (Size to be verified by existing demand over last year.)	\$ 254,240.00	\$ 732,478.00	\$ 986,718.00	\$ 148,007.70	\$ 1,134,725.70
Added protection relays and SCADA to be dertermined.	\$ 25,000.00	\$ 20,000.00	\$ 45,000.00	\$ 6,750.00	\$ 51,750.00
Engineering	\$ 119,682.57		\$ 119,682.57		\$ 119,682.57
2. Fort Raymond Substation: The only thing that remains is the generator step up transformers and the 12.5kV buswork	\$ 1,607,798.85	\$ 2,393,158.65	\$ 4,000,957.50	\$ 600,143.63	\$ 4,601,101.13
Includes replacing existing ground grid					
Includes replacing existing 69kV overhead bus/switches/breaker with 115kV bus/switches/breaker					
Includes replacing existing 10MVA 69kV-12.5kV transformers with 10MVA 115kV-12.5kV transformers.					
Includes replacing five external oil filled breakers with new Viper Reclosers using new 351R control.					
Added protection relays and SCADA to be dertermined.					
Engineering	\$ 460,110.11		\$ 460,110.11		\$ 460,110.11
3. SMIC Substation: Replace 69kV Circuit Switcher with 115kV circuit switcher.	\$ 13,000.00	\$ 27,000.00	\$ 40,000.00	\$ 6,000.00	\$ 46,000.00
4. Primrose Transformer: Replace existing 69kV-24.9kV transformer with 115kV-24.5kV transformer sized at 125% of the maximum demand over the last year. Added protection relays and SCADA to be dertermined.	\$ 276,240.00	\$ 732,478.00	\$ 1,008,718.00	\$ 151,307.70	\$ 1,160,025.70
ROW and Permitting	\$ 75,000.00		\$ 75,000.00		\$ 75,000.00
Engineering	\$ 116,002.57		\$ 116,002.57		\$ 116,002.57
5. Victor Creek Transformer: Replace existing 69kV-24.9kV transformer with 115kV-24.5kV transformer sized at 125% of the maximum demand over the last year. Added protection relays and SCADA to be dertermined.	\$ 276,240.00	\$ 750,478.00	\$ 1,026,718.00	\$ 154,007.70	\$ 1,180,725.70
ROW and Permitting	\$ 75,000.00		\$ 75,000.00		\$ 75,000.00
Engineering	\$ 118,072.57		\$ 118,072.57	\$ 11,807.26	\$ 129,879.83
3. Substation Voltage Conversion Sub-totals	\$ 3,440,386.67	\$ 4,685,592.65	\$ 8,125,979.32	\$ 1,086,123.98	\$ 9,212,103.30
4. SMIC Substation Refurbishment & N-1					
1. Refurbish existing substation (20% Contingency on Construction)					
Fix Load Tap Changer on existing 25MVA 69x115kV-12.5kV transformer	\$ 35,000.00	\$ 65,000.00	\$ 100,000.00	\$ 20,000.00	\$ 120,000.00
Remove vegetation	\$ 4,000.00		\$ 4,000.00	\$ 800.00	\$ 4,800.00
Replace fence and ground grid	\$ 50,000.00	\$ 50,000.00	\$ 100,000.00	\$ 20,000.00	\$ 120,000.00
Replace existing antique differential relays with modern relays	\$ 20,182.00	\$ 17,621.00	\$ 37,803.00	\$ 7,560.60	\$ 45,363.60
Replace three external oil filled breakers with new Viper Reclosers using same 351R control	\$ 112,500.00	\$ 225,000.00	\$ 337,500.00	\$ 67,500.00	\$ 405,000.00
Engineering	\$ 69,516.36		\$ 69,516.36		\$ 69,516.36
2. Refurbish and move 25 MVA 69x115kV-12.5kV transformer to proposed substation after 3.1 complete above. Add 115kV circuit switcher, oil containment, ground grid, and two Viper Reclosers for distribution feeders. (25% Contingency on Construction)	\$ 611,260.00	\$ 373,674.00	\$ 984,934.00	\$ 246,233.50	\$ 1,231,167.50
Engineering	\$ 123,116.75		\$ 123,116.75		\$ 123,116.75
4. SMIC Substation Refurbishment & N-1 Sub-totals	\$ 1,025,575.11	\$ 731,295.00	\$ 1,756,870.11	\$ 362,094.10	\$ 2,118,964.21
5. Proposed Harbor Substation (25% Contingency)					
1. Extend the 115kV overhead to a new substation to be determined near the proposed cruise ship dock. This will require new construction plans and ROW work. The overhead line is estimated to be 1-mile.	\$ 208,200.00	\$ 246,384.80	\$ 454,584.80	\$ 113,646.20	\$ 568,231.00
ROW and Permitting along west side of Seward Highway.	\$ 122,500.00		\$ 122,500.00		\$ 122,500.00
Engineering	\$ 75,000.00		\$ 75,000.00		\$ 75,000.00
2. New 12 MVA 115kV-12.5kV transformer (Voltage TBD), 115kV circuit switcher, oil containment, ground grid, and two Viper Reclosers for proposed cruise liner distribution feeders.	\$ 491,260.00	\$ 991,174.00	\$ 1,482,434.00	\$ 370,608.50	\$ 1,853,042.50
ROW and Permitting: No work assumed on existing city parcel			\$ -		\$ -
Engineering	\$ 185,304.25		\$ 185,304.25		\$ 185,304.25
5. Proposed Harbor Substation Sub-totals	\$ 1,082,264.25	\$ 1,237,558.80	\$ 2,319,823.05	\$ 484,254.70	\$ 2,804,077.75
115kV Total	\$ 7,488,880.34	\$ 8,308,127.71	\$ 15,693,348.54	\$ 2,278,936.39	\$ 17,972,284.93



\$29,775,000 General Obligation & Refunding Bonds, 2021 Series One
\$200,975,000 General Obligation and Refunding Bonds, 2021 Series Two (Taxable)
\$5,725,000 General Obligation Refunding Bonds, 2021 Series Three (AMT Forward Delivery)

Deven J. Mitchell, Executive Director
Ryan S. Williams, Finance Director
Alaska Municipal Bond Bank
P.O. Box 110405
Juneau, AK 99811

September 28, 2021

Dear Deven and Ryan:

This memorandum is prepared in summary of the sale of the Alaska Municipal Bond Bank's ("AMBBA") General Obligation & Refunding Bonds, 2021 Series One, Two and Three on May 26, 2021. Prior to the sale, Moody's Ratings and S&P Global Ratings affirmed their ratings at A1 (Stable) and A+ (Stable), respectively

The 2021 Series One, Two and Three bonds were sold by negotiated sale to an underwriting syndicate led by BofA Securities, Inc and consisting of RBC Capital Markets, LLC and Jefferies, LLC (collectively the "Underwriters"). The table below provides details of the true interest and underwriter costs with prior AMBBA issues provided for historical comparison.

The three series of bonds within the 2021 issue represented tax-exempt bonds (refunding and new money), taxable bonds (refunding and new money) and a single issue of forward delivery AMT tax-exempt refunding bonds. The financing saved borrowers \$38,743,000 of annual debt service (\$31,647,000 net present value).

The issue was also notable for the number of Alaska borrowers who made up the issue. A full summary of the borrowers and purposes is contained in Exhibit A to this memorandum.

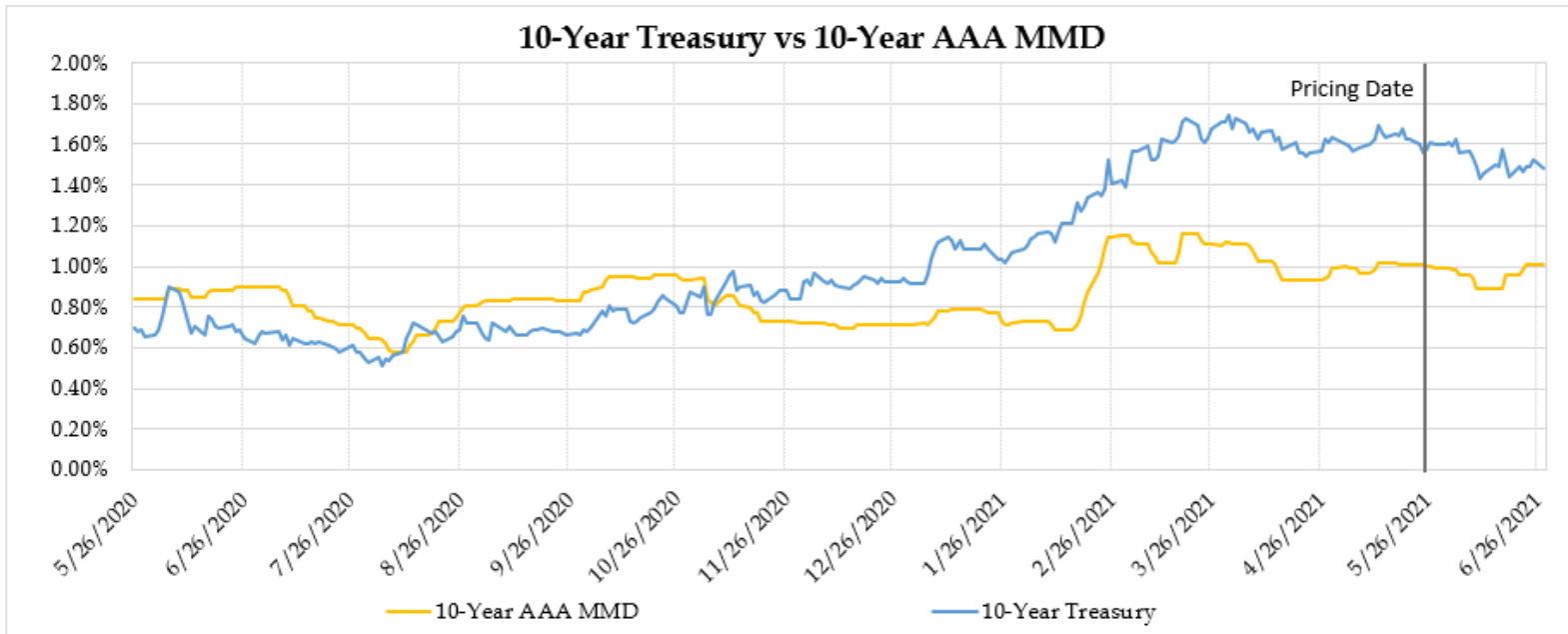
Pricing Details

Issue	TIC	Average Life	Underwriter Cost (per \$1,000)	Method of Sale
2021 One	1.04%	4.306	\$3.30	Negotiated
2021 Two	2.516	11.628	3.63	Negotiated
2021 Three	2.178	10.981	3.50	Negotiated
2020 One	1.641	5.951	3.34	Negotiated
2019 Two (Taxable)	3.564	5.662	3.79	Negotiated
2019 One	3.207	11.044	3.79	Negotiated
2018 One (AMT)	4.195	12.201	4.08	Negotiated
2017 One	2.86	7.287	3.46	Negotiated
2017 Three	3.101	11.912	13.69	Competitive
2016 One	2.557	10.493	5.16	Competitive
2016 Two	2.676	11.166	8.77	Competitive
2016 Three	2.44	6.549	2.93	Negotiated

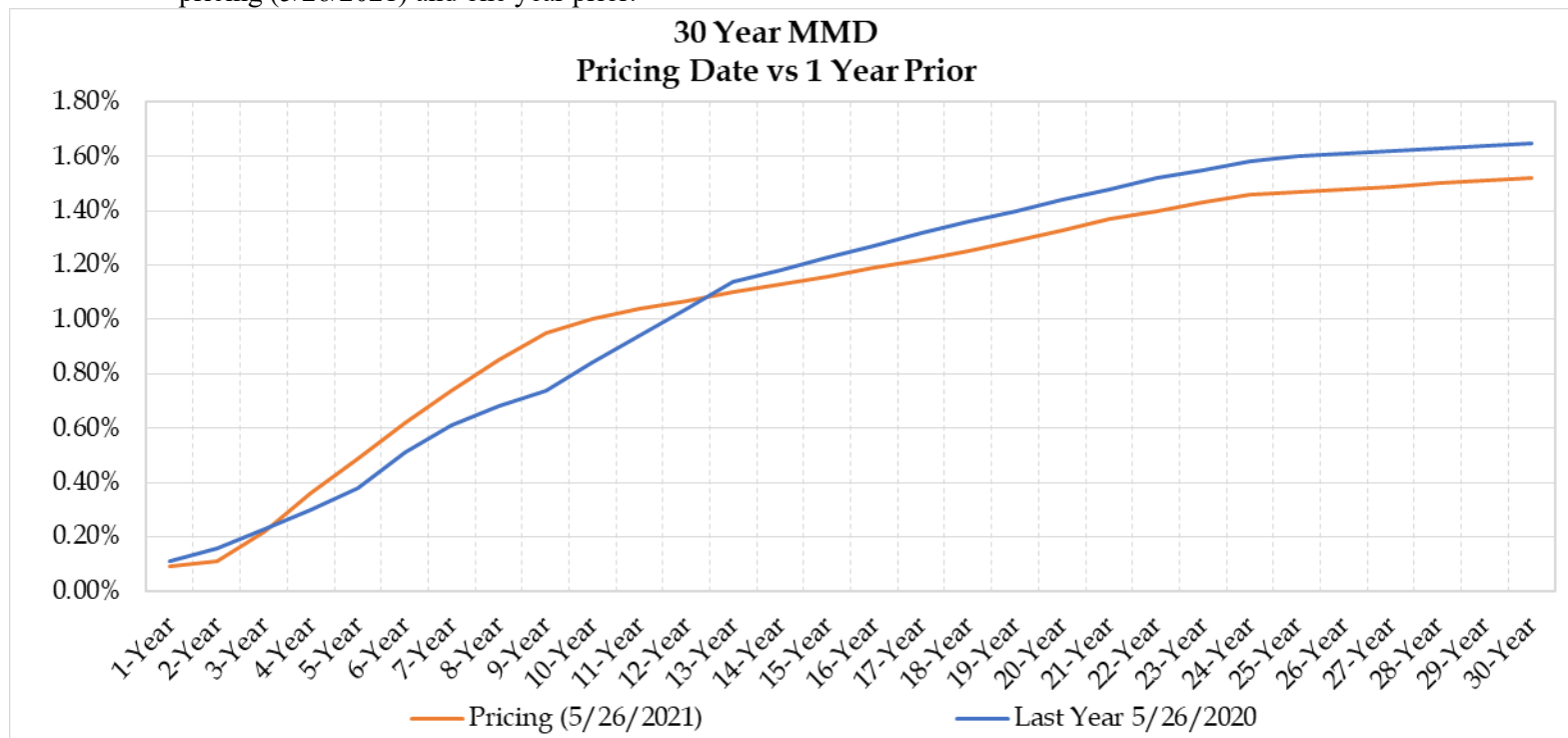
*PFM Financial Advisors LLC
107 Spring Street
Seattle, WA 98104*

AMBBA 2021 General Obligation and Refunding Bonds
Bond Pricing Memorandum

The graph which follows highlights the interest rate trend for 13 months leading up to and beyond the pricing on May 26, 2021 of the 10-year US Treasury security and the 10-year AAA MMD index.



The following graph displays the full 30-year yield curve of the AAA rated MMD index on the day of pricing (5/26/2021) and one year prior.



AMBBA 2021 General Obligation and Refunding Bonds
Bond Pricing Memorandum

The tone of the municipal bond market was solidly steady in the week leading up to the May 26 pricing. During the week the 10-year MMD rate did not deviate from 1.01 until the day of pricing when it dropped to 1.00. The initial and final pricing levels for Series One, Two and Three are summarized in the following tables.

Series One Pricing					
Maturity	Initial Yields	Final Yields	Par Amount	Total Orders	Balances
12/1/2021	0.15	0.15	600,000	0	600,000
12/1/2022	0.18	0.18	5,190,000	0	5,190,000
12/1/2023	0.27	0.27	4,495,000	13,485,000	(8,990,000)
12/1/2024	0.43	0.43	1,315,000	1,340,000	(25,000)
12/1/2025	0.59	0.59	1,385,000	1,385,000	0
12/1/2026	0.71	0.71	1,460,000	1,960,000	(500,000)
12/1/2027	0.89	0.89	1,240,000	1,940,000	(700,000)
12/1/2028	1.03	1.03	1,310,000	1,360,000	(50,000)
12/1/2029	1.15	1.15	1,380,000	1,380,000	0
12/1/2030	1.25	1.25	1,450,000	2,450,000	(1,000,000)
12/1/2031	1.34	1.34	635,000	165,000	470,000
12/1/2032	1.40	1.40	665,000	30,000	635,000
12/1/2033	1.44	1.44	705,000	275,000	430,000
12/1/2034	1.48	1.48	740,000	990,000	(250,000)
12/1/2035	1.65	1.65	775,000	0	775,000
12/1/2036	1.70	1.70	710,000	710,000	0
12/1/2037	1.73	1.73	535,000	0	535,000
12/1/2038	1.76	1.76	555,000	555,000	0
12/1/2039	1.80	1.80	575,000	575,000	0
12/1/2040	1.84	1.84	600,000	600,000	0
12/1/2041	1.88	1.88	625,000	625,000	0
12/1/2045	1.85	1.85	2,830,000	6,410,000	(3,580,000)
			29,775,000	36,235,000	(6,460,000)

Series One continued a trend which has been becoming evident with recent financings. The modest par amounts (less than \$1,000,000) have increasingly been finding difficulty attracting significant institutional buyer interest. Most maturities which had unsold balances at the end of the order period fell into this category. The alternative is likely to use more term bond structures but those maturities typically do not get priced equivalent to the average yield of a strip of serial maturities, so the distribution appeal comes with an interest rate cost. The amount of Series One bonds unsold was not excessive and the underwriters elected to underwrite them with no upwards yield adjustment. A downwards yield adjustment to the 2023 maturity was discussed due to the oversubscriptions but BofA believed would trigger a demand by buyers of the 2022 and 2024 maturities for an upwards yield adjustment to keep them in line with the current market increment yield curve movements.

AMBBA 2021 General Obligation and Refunding Bonds
Bond Pricing Memorandum

Series Two (Taxable) Pricing

Maturity	Initial Spreads	Final Spreads (bps)	Final Yields	Par Amount	Total Orders	Balances
12/1/2021	10	10	0.243	3,335,000	1,000,000	2,335,000
12/1/2022	20	20	0.343	6,240,000	18,480,000	(12,240,000)
12/1/2023	30	30	0.443	8,275,000	20,550,000	(12,275,000)
12/1/2024	35	39	0.698	10,175,000	1,050,000	9,125,000
12/1/2025	25	25	1.032	9,580,000	17,705,000	(8,125,000)
12/1/2026	40	40	1.182	10,755,000	21,910,000	(11,155,000)
12/1/2027	30	30	1.531	10,910,000	11,500,000	(590,000)
12/1/2028	50	50	1.731	11,085,000	10,450,000	635,000
12/1/2029	40	40	1.972	11,275,000	12,925,000	(1,650,000)
12/1/2030	50	45	2.022	11,530,000	40,060,000	(28,530,000)
12/1/2031	60	55	2.122	14,700,000	75,800,000	(61,100,000)
12/1/2032	70	65	2.222	14,420,000	45,285,000	(30,865,000)
12/1/2033	80	78	2.352	9,025,000	19,220,000	(10,195,000)
12/1/2034	90	88	2.452	5,065,000	10,130,000	(5,065,000)
12/1/2035	100	98	2.552	5,115,000	10,230,000	(5,115,000)
12/1/2036	105	103	2.602	4,680,000	9,360,000	(4,680,000)
12/1/2041	85	75	3.028	24,985,000	154,500,000	(129,515,000)
12/1/2048	95	85	3.128	29,770,000	123,700,000	(93,930,000)
				200,920,000	603,855,000	(402,935,000)

Series Two was very well received by investors. Overall, the issue was approximately 3x oversubscribed although the oversubscriptions were concentrated, particularly with the 2041 and 2048 term bond maturities. BofA suggested several downward revisions to oversubscribed maturities with an upward revision to the 2024 maturity which had received little interest. Notably, the 2041 and 2048 maturities were both repriced 10 bp lower.

Series Three (AMT Forward Delivery) Pricing

Maturity	Initial Yields	Final Yields	Par Amount	Total Orders	Balances
12/1/2030	1.75	1.75	1,100,000	3,300,000	(2,200,000)
12/1/2031	1.84	1.84	1,155,000	3,465,000	(2,310,000)
12/1/2032	1.90	1.90	1,205,000	1,205,000	0
12/1/2033	1.94	1.94	1,270,000	1,270,000	0
12/1/2034	1.98	1.98	995,000	1,495,000	(500,000)
			5,725,000	10,735,000	(5,010,000)

AMBBA 2021 General Obligation and Refunding Bonds
Bond Pricing Memorandum

Series Three was priced and sold as a forward delivery transaction. It will settle on December 2, 2021. The forward deliver premium was 50 bp and tracks precisely against the 2030 – 2034 maturities of the Series One tax-exempt component. These bonds are subject to the alternative minimum tax (AMT) owing to the commercial element of the cruise ship dock in Juneau funded by the original issue being refunded. AMT issues are often difficult to place but Series Three received a mixed response with the 2030 and 2031 maturities oversubscribed with the balance of the series achieving decent reception.

Overall, we believe the issue was a success and priced considering market conditions and issue structure. We would like to extend our appreciation to the other members of the finance team for their extensive work over numerous months which at times was intense.

The bond sale was closed on June 16, 2021. As always, it was a pleasure to serve the Bond Bank on this transaction. If you have any questions, we will be happy to discuss them with you.

Sincerely,



Fred Eoff
Director

AMBBA 2021 General Obligation and Refunding Bonds
Bond Pricing Memorandum

EXHIBIT A

Borrower	Purpose
Aleutians East Borough	Taxable refunding of 2010 Bonds Airport/Road Bonds
City of Homer	Taxable refunding of 2013 Harbor Revenue Bonds
City & Borough of Juneau	Taxable refunding of 2013 Bartlett Hospital Bonds
	Taxable refunding of 2013 Various Capital Bonds
	Tax-exempt AMT forward delivery refunding of 2015 Port Bonds
Kenai Peninsula Borough	Tax-exempt refunding of 2011 Hospital Service Area Bonds
	Tax-exempt refunding of 2011 Refunding Bonds
	Taxable refunding of 2013 BC Fire Service Bonds
	Taxable refunding of 2013 GO School Bonds (DEED)
City of Ketchikan	Taxable refunding of 2012 GO Bonds
	Taxable refunding of 2013 Electric Utility Bonds
Kodiak Island Borough	Tax-exempt refunding of 2011 GO School Bonds (DEED)
	Tax-exempt refunding of 2011 Solid Waste Revenue Bonds
	Taxable refunding of 2012 GO School Bonds (DEED)
	Taxable refunding of 2013 GO School Bonds (DEED)
	Taxable refunding of 2013 Long Term Care Facility Bonds
	Taxable refunding of 2014 GO School Bonds (DEED)
Lake & Peninsula Borough	Taxable refunding of 2013 GO School Bonds (DEED)
City of Sand Point	Taxable refunding of 2013 Harbor Bonds
	Tax-exempt new money bonds
City of Seward	Tax-exempt refunding of 2011 GO Library/Museum Bonds
City of Sitka	Tax-exempt refunding of 2011 GO School Bonds (DEED)
	Taxable refunding of 2004A Bonds
	Taxable refunding of 2012 Refunding Bonds
	Taxable refunding of 2013_1 Electric Utility Bonds
	Taxable refunding of 2013 Harbor Bonds
	Taxable refunding of 2013_3 Electric Utility Bonds
	Taxable refunding of 2014 Electric Utility Bonds
	Taxable refunding of AEA Loan
SE Alaska Power Agency	Tax-exempt new money bonds



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TO: AMBBA Board Members **DATE:** September 28, 2021
Luke Welles, Brian Fechter, Bruce Tangeman, Julie Anderson, Ken Koelsch

FROM: Ryan Williams, Finance Director **TELEPHONE:** 907-465-2893

Fund Performance, and Portfolio Market Values:

Below depicts the Bond Bank's fund performance and portfolio market values through August 31, 2021.

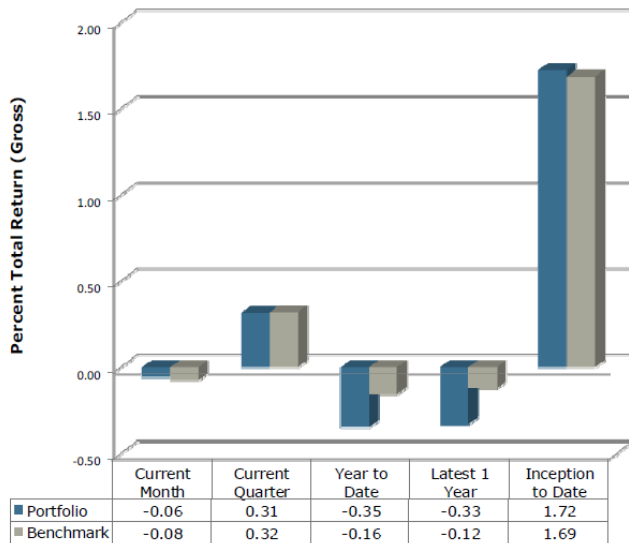
Alaska Permanent Capital Management Co.
Cash Balance and Portfolio Market Value
August 31, 2021

Name	Total Cash	Market Value
AMMBA Custody #180969	482,920	10,839,933
AMBBA GO 2005 SERIES RESERVE FUND-764568	384,648	43,471,806
AMBBA GO 2016 RESERVE	498,393	7,709,468
	1,365,961	62,021,208

Performance as of August 31, 2021, for the 2005 and 2016 Reserves, as well as the Bond Bank's Custodian Account:

2005:

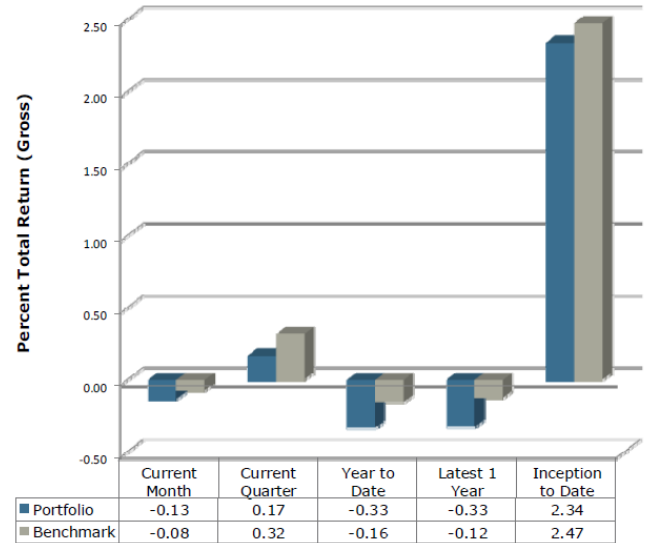
**Current Account Benchmark:
100% Bloomberg Barclays 1-5 Yr Gov**



Performance is Annualized for Periods Greater than One Year

2016:

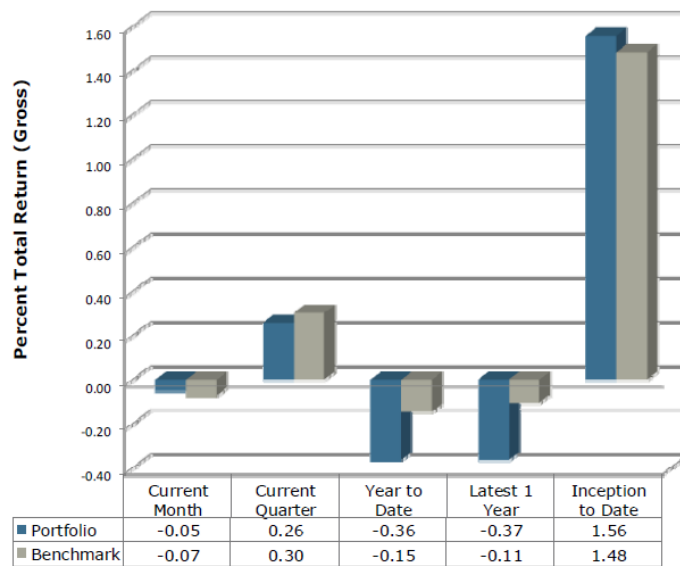
**Current Account Benchmark:
100% Bloomberg Barclays 1-5 Yr Gov**



Performance is Annualized for Periods Greater than One Year

Custodian:

**Current Account Benchmark:
95% Bloomberg Barclays 1-5 Yr Gov/5%
FTSE 3Mo Tbill**



Performance is Annualized for Periods Greater than One Year

Please let me know if you have any questions.

Thank you,
Ryan Williams
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Alaska Municipal Bond Bank Authority
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